



CNET tech sites: | Price comparisons | Product reviews | Tech news | Down

[E-mail alert](#)Get more news with [News.com Extra](#).

SAVED STORIES

SEARCH ADVANCED SEARCH

Enterprise Software >> E-Business

AOL, Wal-Mart next to team on Net service

Published: December 16, 1999, 8:10 AM PST

By Sandeep Junnarkar
Staff Writer, CNET News.com

TalkBack

E-mail

Print

TrackBack

update

Welcome, Google user!

If this story isn't what you're searching for, try these other News.com search results for "aol cobranded":

- Business IM added to BlackBerry mix
- AOL woos surfers en Español
- Broadband about-face
- Yahoo, Sony team up in online push
- Citigroup, Microsoft ring up Net-pay pact

More ...

In a move that may give America Online access to a stream of less technologically savvy subscribers, the giant online services firm today announced a far-reaching marketing alliance with retailing giant Wal-Mart, including the launch of a low-cost Internet access service.

The alliance would create a co-branded ISP that caters to the needs of consumers who live in the more remote communities across the United States that are serviced by Wal-Mart's blanketing presence.

Bentonville, Ark.-based Wal-Mart operates more than 2,485 stores across the United States. AOL has 19 million members, while its CompuServe subsidiary has about another 2.2 million members.

The much-anticipated deal earlier this week pushed Wal-Mart stock to a new record and helped Dulles, Va.-based AOL hit a 52-week high on expectations that each company will get a piece of the puzzle that it lacked. Wal-Mart is set to relaunch its e-commerce Web site, Wal-Mart.com, next month, and having a greater number of its customers connected to the Internet is likely to mean greater success for the site.

In return, AOL gets to pursue an increasingly popular strategy among Internet companies: linking up with bricks-and-mortar outlets to draw new customers onto the Net.

Microsoft today inked a similar deal with computer and electronics retailer Best Buy to cross-promote each others products and services. The deal, however, included a \$200 million investment by

advertisement

GoTo!

Access Your PC
from Anywhusing any Internet connected computer
with your wireless device.

Try It Free

click here

Today in News.com **EXTRA**

BitTorrent raids reach Finland. Also:
Wars' defense test fizzles.

[Read more](#)

This week's headlines

Latest headlines

- Sprint, Nextel agree to \$35 billion merger
- U.S. rejects key part of Geico case against Google
- Antispam law ruled unconstitutional
- At trial, Altnet-Kazaa link examined
- Photos: Run, Asimo, run
- Australian police get go-ahead on spy
- U.S. to charge AOL with fraud, defer prosecution
- Honda robot applies for 9-to-5 job
- Road Runner picks up speed
- Beware! Sand in this physics lab may be alive
- PalmOne appoints CFO
- Mixed marriage for Sprint and Nextel technologies
- Settlements seen in inquiries into Tim

BEST AVAILABLE COPY

the software giant in Best Buy.

"It's always been a key priority for us to be everywhere our customers are, and with new segments of the mass market coming online there's no better way to do that than work with Wal-Mart," Bob Pittman, president of AOL, said in a statement. "This relationship provides us with a great opportunity to introduce new users to all the benefits of the Internet and enrich the experience of all online consumers."

While still split over who is likely to benefit more from these relationships--the established online players or the traditional retailers piggy-backing on them--analysts agree that the moves may attract subscribers to online services who may otherwise have never considered getting wired.

Phil Leigh, an analyst at investment bank Raymond James, said Wal-Mart customers may be more willing to try an online service offered to them by a brand-name retailer they have grown to trust.



"If someone is standing in Wal-Mart with a cart full of disks and handing them out, it gives these people who may never have been on the Net a sense of security," said Leigh.

The growing importance of this strategy is magnified as the number of people coming onto the Internet has slowed, according to Media Metrix, and Web players are searching for new ways to draw upon untapped markets.

Just yesterday, Yahoo and Softbank Venture Capital announced an agreement with Kmart to create a co-branded free Internet access service.

Discount of sub fees

Last month, Microsoft cut a deal with Tandy-owned Radio Shack stores to promote its MSN services, pumping \$100 million into the electronics store and featuring it on the MSN portal.

AOL has also been busy pursuing this strategy. Yesterday, it announced a partnership with computer retail chain Circuit City in which the chain will promote AOL's products and services and in return get prominent placement on AOL's site.

Earlier this fall, AOL signed a marketing deal with Seagram's Universal Studios that will bring AOL kiosks to Universal's new Island of Adventure theme park in Orlando, Fla.

In today's deal, the new co-branded Wal-Mart/AOL ISP will be a customized version of the CompuServe service--which is aimed at customers wanting lower prices. Wal-Mart customers will be given software they can use to quickly and easily create an online account with the new Internet service offering local access.

In addition to distributing the co-branded Wal-Mart/AOL ISP, Wal-Mart will also distribute AOL 5.0 software that will have an automatic link to Wal-Mart's Internet shopping site. The retailer will also promote both the Wal-Mart/AOL co-branded ISP and the AOL flagship service through print, radio and television advertising, and in-store

- For Sprint and Nextel, a battle with tit
- FTC focuses on file swapping

Most popular headlines

- Microsoft's alpha tester
- Apple fights RealNetworks' 'hacker ta
- Louisiana town awaits telephone age
- MPAA targets core BitTorrent, eDonk
- Inflicting pain on 'griefers'
- Lawsuit: Software should not be copy
- Who says safe computing must remai dream?
- Japan jumps on Sony's PSP



CNET NEWSLETTERS

CLICK ON A TITLE BELOW TO LEARN M

- ☐ News.com Morning Dispatch sample
- ☐ News.com Afternoon Dispatch sample
- ☐ News.com Enterprise Hardware sample

All News.com newsletters

SPECIAL OFFERS FROM OUR PARTI

CLICK ON A TITLE BELOW TO LEARN MORE ABC

- ☐ Surveys
- ☐ IT Professionals
- ☐ IT Management
- ☐ Small Business Owners

SIGN UP NOW

Manage My Newsletters

promotions.

Wal-Mart.com, set to be relaunched on Jan. 1, will also be placed on Shop@ areas across AOL's brands.

The companies also said they would be exploring ways to market a range of next-generation interactive devices and services--such as AOL TV--designed to appeal to Wal-Mart customers.



Related stories

Do Kmart, Circuit City Web plans make sense?

December 15, 1999

Yahoo, Kmart offer free Net access

December 15, 1999

Portal numbers are flat--where is everyone?

October 21, 1999

[Get this story's "Big Picture" >](#)

From News.com Extra

[Get more news around the Web with News.com Extra >](#)

TalkBack

Post a comment

No discussion exists, [click here to start it.](#)

Sponsored Links

- ▶ EDI for Walmart Suppliers
1-800-ACT-Data makes it easy. Wal- mart AS2 approved. \$250 Startup.
www.actdata.com
- ▶ Direct EDI
User Friendly Internet EDI Superior Customer Service
www.directedi.com
- ▶ EDI Compliance in a Day
Any trading partner or industry. Call 1- 888-339-0722
www.infoconn.com

Featured services: [BNET: Business White Papers](#) | [Find tech jobs](#) | [CNET's Digital Living](#) | [Free mag. trial](#) | [Virus Threat Center](#)

[CNET.com](#) | [CNET Download.com](#) | [CNET News.com](#) | [CNET Reviews](#) | [CNET Shopper.com](#)

[GameSpot](#) | [MP3.com](#) | [mySimon](#) | [Search.com](#) | [TechRepublic](#) | [Webshots](#) | [ZDNet](#) | [International Sites](#)

Copyright ©2004 CNET Networks, Inc. All Rights Reserved. [Privacy Policy](#) | [Terms of Use](#)

[About CNET](#)

**This Page is Inserted by IFW Indexing and Scanning
Operations and is not part of the Official Record**

BEST AVAILABLE IMAGES

Defective images within this document are accurate representations of the original documents submitted by the applicant.

Defects in the images include but are not limited to the items checked:

- ☐ BLACK BORDERS
- ☐ IMAGE CUT OFF AT TOP, BOTTOM OR SIDES
- ☐ FADED TEXT OR DRAWING
- ☐ BLURRED OR ILLEGIBLE TEXT OR DRAWING
- ☐ SKEWED/SLANTED IMAGES
- ☐ COLOR OR BLACK AND WHITE PHOTOGRAPHS
- ☐ GRAY SCALE DOCUMENTS
- ☐ LINES OR MARKS ON ORIGINAL DOCUMENT
- ☒ REFERENCE(S) OR EXHIBIT(S) SUBMITTED ARE POOR QUALITY
- ☐ OTHER: _____

IMAGES ARE BEST AVAILABLE COPY.

As rescanning these documents will not correct the image problems checked, please do not report these problems to the IFW Image Problem Mailbox.